

DATE: October 28, 2005

TO: The California Environmental Protection Agency Environmental Justice Advisory Committee

FROM: Analisa Bevan, Chief, Sustainable Transportation Technologies Branch, Air Resources Board (ARB)

SUBJECT: MATERIALS REGARDING THE CALIFORNIA HYDROGEN HIGHWAY NETWORK FOR THE NOVEMBER 15, 2005 MEETING

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As presented to you at your October 6, 2005 California Environmental Protection Agency Environmental Justice Advisory Committee meeting, on July 21, 2005 the Governor and legislature approved Senate Bill 76 (SB 76) that provided the necessary funding and legislative guidelines to implement recommendations of the California Hydrogen Highway (CA H2 Net) Blueprint Plan. SB 76 is a budget trailer bill that provides \$6.5 million in funding for state-sponsored hydrogen demonstration projects until January 1, 2007. The funds may be used for co-funding the establishment of up to three hydrogen fueling station demonstration projects and the State lease and purchase of a variety of hydrogen fueled vehicles.

The bill further requires that funded projects achieve certain environmental criteria. The stations must achieve a 30 percent reduction in greenhouse gas emissions relative to current-year vehicles. They must also use at least 20 percent new renewable energy resources to produce hydrogen with a goal, as described in SB 76, to use 33 percent. Finally, the stations must not contribute to any increase in toxic or smog forming emissions. The ARB understands that there are good ways and bad ways to make hydrogen. It is our objective that the CA H2 Net achieves the environmental goals of SB 76 and the CA H2 Net Blueprint Plan with a vision that some day the CA H2 Net will exceed these goals.

Per the language in SB 76, projects and vehicles must be selected through a public hearing process, including a CEJAC meeting to solicit input on appropriate siting criteria, hydrogen station locations and production facilities in order to address environmental justice concerns. In addition, staff must hold workshops in Northern, Central and Southern California to receive public input on hydrogen production and fueling bid criteria, and siting and location criteria. Finally, there must be a 30-day public notice prior to the Air Resources Board (ARB's) adoption of project siting criteria or locations.

Staff will be presenting concepts for the hydrogen demonstration stations and vehicle procurement at five public workshops between October 28<sup>th</sup> and November 5<sup>th</sup>. Based on feedback from the workshops, the ARB will prepare draft siting criteria that will be released in mid-November for a 30-day comment period. **ARB staff will send this draft siting criteria to the CEJAC a few days prior to the November 15<sup>th</sup> meeting.**

Any comments received on the draft siting criteria will be taken into consideration for the development and release of requests for proposals (RFP) for building three hydrogen fueling stations and procuring hydrogen vehicles. Though we specifically need the CEJAC's input on the siting criteria we are requesting your input on all of the concepts that are being considered for the RFPs in order to maximize the value of the projects that result from this funding. These concepts are provided in the attached slides that will be presented at the public workshops.

In order to further address environmental justice concerns regarding the station locations and production facilities, the ARB would like to invite one or more members of the CEJAC that will not be bidding on this project to participate in the bid evaluation process.

Included with the concepts for the station development and vehicle procurement are Volumes 1 and 2 of the CA H2 Net Blueprint Plan, fact sheets including one on Hydrogen Safety, a pamphlet describing some of the hydrogen fueling stations in California and the revised slides from Jason Mark of the Union of Concerned Scientists. For additional information about the CA H2 Net, please feel free to visit <http://www.hydrogenhighway.ca.gov>

We look forward to working with you to ensure that communities disproportionately impacted by air pollution are not further impacted by the CA H2 Net and in fact benefit from this program as we work toward achieving the long term vision of a hydrogen economy that provides California with energy security and diversity and clean transportation and economic development.